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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/850,328	05/07/2001	Jay S. Walker	00-101	2523
22927 7590 02/26/2009 WALKER DIGITAL MANAGEMENT, LLC 2 HIGH RIDGE PARK STAMFORD, CT 06905				
EXAMINER CHAMPAGNE, DONALD				
ART UNIT 3688		PAPER NUMBER		
MAIL DATE 02/26/2009		DELIVERY MODE PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

## Application No.

09/850,328

## Applicant(s)

WALKER ET AL.

## Examiner

Donald L. Champagne

## Art Unit

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**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 17 February 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1, 4, 8, 9, 13, 15-25, 28-34, 36, 37, 39-64, 69-75, 81 and 92-106 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1, 4, 8, 9, 13, 15-25, 28-34, 36, 37, 39-64, 69-75, 81 and 92-106 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 07 May 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Final Drawing Review (PTO-846)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

## DETAILED ACTION

### *Incomplete Information Disclosure Statement*

1. The information disclosure statement filed 18 October 2007 fails to comply with 37 CFR 1.98(a)(1), which requires a list of all patents, publications, or other information submitted for consideration by the Office (i.e., a form PTO-1449). The examiner could not find a form PTO-1449 with the filing. The IDS has been placed in the application file, but the information referred to therein could not be considered because it is not identified. Applicant may have the information considered without filing a petition by submitting the form PTO-1449 in reply to this Office action, but not later than the close of prosecution (MPEP 609.III.B(2) or 37 CFR 1.97(c)). No fees were charged for the incomplete IDS filing on 18 October 2007, so the appropriate fee should be charged with the 1449 filing.

### *Claim Rejections - 35 USC § 101*

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1, 4, 8, 9, 13, 15-18, 20-23, 28-34, 36, 37, 39-64, 69-71, 75, 81 and 96-102 are rejected under 35 U.S.C. 101 because the claimed invention is not directed to statutory subject matter. Based on Supreme Court precedent, to be patent eligible under 35 U.S.C. 101 a method/process claim must (1) be tied to a particular machine or apparatus or (2) transform a particular article into a different state or thing (see at least *Gottschalk v. Benson*, 409 U.S. 70 (1972); *Diamond v. Diehr*, 450 U.S. 192 (1981); *Parker v. Flook*, 437 U.S. 589 n.9 (1978); and *Cochrane v. Deener*, 94 U.S. 780, 788 (1876)). Furthermore, the Supreme Court held that the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patentability (*Benson*, 409 U.S. 71-72). The involvement of the machine or transformation must not merely be insignificant extra-solution activity (*Flook*, 437 U.S. 590). Also see *In re Bilski*, No. 2007-1130, \_F.3d\_, 2008 WL4757.
4. The instant claims fail to meet this test. The claims fail to transform a particular article into a different state or thing. The claims are tied to a "controller", but it is not clear that a "controller" is necessarily a machine or apparatus. Para. [0036] of the published application

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(US 20020165771A1) suggests that a controller can be a machine or apparatus by referring to "a controller or other device". However, Para. [0011] refers to "a merchant or controller", suggesting that a controller can be an institutional entity similar to a merchant.

5. A "controller" has been added to the claims (e.g., claim 1 lines 6-7) with "a customer device" to provide "an indication of subsidy". Said "customer device" is unambiguously a machine or apparatus, but the test is still not satisfied because "providing an indication of a subsidy" is merely insignificant extra-solution activity (i.e., merely an input or an output).
6. Claims 1, 4, 8, 9, 13, 15-25, 28-34, 36, 37, 39-64, 69-75, 81 and 92-106 are rejected under 35 U.S.C. 101 because the claimed invention cannot produce a concrete (i.e., repeatable) result (MPEP § 2106.IV.C.2(2)(c)). In every independent claim, either "a subsidizer that is ... not a direct party to the first transaction" (e.g., claim 1 lines 11-12) or "a third party entity that is neither the customer nor the restaurant and is not a direct party to the first transaction" (e.g., at claim 69, lines 11-13) is not given objective definition. The result, the awarding of a subsidy, is arbitrary and not concrete.

***Applicability of 35 USC 112, 6th Paragraph***

7. It appears the applicant is attempting to invoke 35 U.S.C. 112, 6th paragraph in claims 93, 95, 104 and 106 by using "means-plus-function" language, such as "means for sending", which has no apparent support in the specification. In order to successfully invoke the sixth paragraph, a three-prong test must be met (MPEP § 2181.I): (1) the claim must use means-plus-function language; (2) the claim itself must not provided structural limitations to the means-plus-function language; and (3) the specification must recite explicit physical structural limitations for the means-plus-function language in the claim.
8. While the above claims pass the first two prongs of the three prong test, they do not pass the third prong: There is no explicit recitation in the specification of any physical structures to perform the functions of the means-plus-function limitations in the claims. Therefore, 35 U.S.C 112, 6th paragraph has not been successfully invoked. The Examiner will consider the means to perform the claimed functions as any means, physical or virtual, that can perform the function.

***Claim Rejections - 35 USC § 112***

9. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

10. Claims 1, 4, 8, 9, 13, 15-25, 28-34, 36, 37, 39-64, 69-75, 81 and 92-106 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. In every independent claim, either "a subsidizer that is ... not a direct party to the first transaction" (e.g., claim 1 lines 11-12) or "a third party entity that is neither ... the restaurant and is not a direct party to the first transaction" (e.g., at claim 69, lines 11-13) is new matter.

11. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

12. Claims 1, 4, 8, 9, 13, 15-25, 28-34, 36, 37, 39-64, 69-75, 81 and 92-106 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In every independent claim, either "a subsidizer that is ... not a direct party to the first transaction" (e.g., claim 1 lines 11-12) or "a third party entity that is neither ... the restaurant and is not a direct party to the first transaction" (e.g., at claim 69, lines 11-13) is indefinite.

13. The claims have been amended to replace "third party" in some claims with "not a direct party to the first transaction", neither of which is disclosed or defined in the specification. The common meaning of "third party" is a business entity that is independent of some other first and second parties. However, business ownership is not generally amenable to simple distinctions and is in any event is variable, not fixed. Suppose the first and second parties each owned 50% of a subsidizer: would said subsidizer still be a "third party"? (Or would it be a 1-½ party?) Alternatively, suppose that some fourth entity owned 50% of the common stock of each of the three parties: which is the third party, or the first or second party for that

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matter? The amendment to “not a direct party to the first transaction” does not overcome indefiniteness because “direct party” is not disclosed, much less defined, in the specification.

14. The second paragraph of 35 U.S.C. 112 requires that applicant “distinctly” claim the invention. A claim cannot be distinct when it is based on an object as variable as an ownership limitation (MPEP § 2173.05(b), “REFERENCE TO AN OBJECT THAT IS VARIABLE MAY RENDER A CLAIM INDEFINITE”).

***Claim Rejections - 35 USC § 102 and 35 USC § 103***

15. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

16. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

17. Claims 1, 4, 8, 9, 13, 15-18, 20-23, 28-34, 36, 37, 39-64, 69-71, 75, 81 and 92-106 are rejected under 35 U.S.C. 102(e) as being anticipated Chen et al. (US006741969B1).

18. Chen et al. teaches (independent claims 1, 56, 60, 69, 71, 75, 81 and 92-95) a method, product and system/apparatus for adjusting prices of one or more items, particularly at a restaurant, the method (as represented by claim 1) comprising:

providing an indication of a plurality of products (*menus*, col. 9 lines 48-52) each of said plurality of products having an initial price (*the amount to be charged*, col. 7 lines 5-6) and being associated with at least one merchant (*a restaurant*, col. 1 lines 44-51);

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providing an indication of an available price adjustment (*the incentive*, col. 7 lines 5-6);

providing, via a controller in electronic communication with at least one customer device (*Account module 650*, col. 16 lines 44-51), an indication of a subsidy offer (*the incentive*, col. 7 lines 5-6, or *promotions*, col. 20 lines 3-4) associated with said price adjustment, said subsidy offer including at least one qualifying action that a customer must agree to perform to receive the price adjustment (paying for the meal) on a purchase of at least one of the plurality of products in a first transaction (again, paying for the meal), and wherein the subsidy offer is associated with a subsidizer/third party (*manufacturers or suppliers*, col. 20 lines 4-5) that is neither the customer nor the at least one merchant and is not a direct party to the first transaction;

receiving an acceptance of the subsidy offer (the customer orders the *competitor* bottle of wine, col. 20 lines 12-13); and

providing the price adjustment to the customer for the purchase of at least one of the plurality of products in the first transaction (col. 7 lines 5-6).

For claims 71 and 81, Chen et al. also teaches a customer using a wireless device (col. 20 line 60), which inherently operates in a restaurant and inherently for “a plurality of items” when reserving for two or more people. Chen et al. also teaches a yield management system (col. 20 line 32 *et seq.*), which inherently requires a customer in one busy restaurant with a wireless device to use said wireless device to find a less busy restaurant with an incentive (col. 20 line 43).

For claim 75, Chen et al. also teaches presentation of a payment means (col. 7 lines 1-5 and 6-11), which reads on receiving an indication of a commitment to complete said qualifying action.

19. The following claim language is non-functional descriptive material and was not given patentable weight (MPEP § 2106.01):

“and the qualifying action concerns a purchase of a product of the subsidizer in a second transaction that is not the first transaction”.

The application does not disclose qualifying action “concerns”, so the examiner is required to give this claim language its broadest reasonable interpretation in view of one of ordinary

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skill in the art.<sup>1</sup> The examiner interprets the claim language to mean that the qualifying action (paying for the meal) means that the customer is satisfied with the meal and is therefore *intent* on someday purchasing another meal, which reads on "a product of the subsidizer in a second transaction that is not the first transaction". A customer's *intent* is not functional because it does not alter how the process steps are to be performed to achieve the utility of the invention.

20. Chen et al. also teaches at the citations given above claims 4, 8, 9, 13, 15 (the "second price" is the *amount to be charged* minus the *incentive*), 28-32, 34, 37, 39-52, 53 (inherently), 54, 55 (inherently) and 70.
21. Chen et al. also teaches: claim 16 (when the auction expires, col. 2 line 24); claims 17, 18, 20-23, 33 and 36 (col. 19 lines 30-32 and col. 6 lines 61-62 for claim 22); and claims 57-59 and 61-64, where responding to an ad (col. 8 lines 53-55) reads on a qualifying action.
22. Claims 96-106 add only nonfunctional descriptive material and were accordingly not given patentable weight [MPEP 2106.IV.B.1(b)].
23. Claims 19, 24, 25 and 72-74 are rejected under 35 U.S.C. 103(a) as being obvious over Chen et al. (US006741969B1). Chen et al. does not teach verification. Because verification is common sense ("measure twice, cut once") and easy to achieve (Waiter, will I get the discount if I order this item?), it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add price verification to the teachings of Chen et al.

### **Response to Arguments**

24. Applicant's arguments filed with an amendment on 17 February 2009 have been fully considered but they are not persuasive. The arguments have been addressed by the rejections given above.

### **Conclusion**

25. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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<sup>1</sup> Unless a term is given a "clear definition" in the specification (MPEP § 2111.01), the examiner is obligated to give claims their broadest reasonable interpretation, in light of the specification, and consistent with the interpretation that those skilled in the art would reach (MPEP § 2111).



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26. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.
27. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Donald L. Champagne whose telephone number is 571-272-6717. The examiner can normally be reached Monday, Wednesday morning, and after Noon on Thursday and Friday. The examiner can also be contacted by e-mail at [donald.champagne@uspto.gov](mailto:donald.champagne@uspto.gov), and *informal* fax communications (i.e., communications not to be made of record) may be sent directly to the examiner at 571-273-6717.
28. The examiner's supervisor, James W. Myhre, can be reached on 571-272-6722.
29. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).
30. **AFTER FINAL PRACTICE** – Consistent with MPEP § 706.07(f) and 713.09, prosecution generally ends with the final rejection. Examiner will grant an interview after final only when applicant presents compelling evidence that "disposal or clarification for appeal may be accomplished with only nominal further consideration" (MPEP § 713.09). The burden is on applicant to demonstrate this requirement, preferably in no more than 25 words. Amendments are entered after final only when the amendments will clearly simplify issues, or put the case into condition for allowance, clearly and without additional search or more than nominal consideration.

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31. Applicant may have after final arguments considered and amendments entered by filing an RCE.
32. Applicant is advised that, unless a proposed amendment is filed after final and the examiner returns an advisory action with block 3(a) checked (signifying that further search or consideration is required), an amendment filed with an RCE **COULD BE MADE FINAL IN THE FIRST ACTION** in accordance with MPEP § 706.07(b).
33. **ABANDONMENT** – If examiner cannot by telephone verify applicant's intent to continue prosecution, the application is subject to abandonment six months after mailing of the last Office action. The agent, attorney or applicant point of contact is responsible for assuring that the Office has their telephone number. Agents and attorneys may verify their registration information including telephone number at the Office's web site, [www.uspto.gov](http://www.uspto.gov). At the top of the home page, click on Site Index. Then click on Agent & Attorney Roster in the alphabetic list, and search for your registration by your name or number.

22 February 2009

/Donald L. Champagne/  
Primary Examiner, Art Unit 3688